

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

February 8, 1999 LB 422

PRESIDENT MAURSTAD: Thank you, Senator. Chair recognizes Senator Landis.

SENATOR LANDIS: Mr. President, members of the Legislature, I rise to indicate my support for LB 422. It's been before us before. This time it's been drafted a little more sensitively and I like, particularly, the element that Senator Kristensen just remarked upon. There are certain things that the board cannot change, and that is you can't change the number of directors, the composition of the board, the term of office, or the method in which they're elected. You want the full membership to do that. You don't want a board able to recreate itself or extend its own term in office or foreclose an election that would otherwise be forthcoming. And by walling these off for the articles of incorporation I think it's really a sensitive piece of drafting and it makes a good bill better. I'm delighted to join in the advancement of LB 422 and I'd urge you to do the same. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Landis. Further discussion on LB 422? Seeing none, Senator Kristensen, you're recognized to close.

SPEAKER KRISTENSEN: I will close very briefly, Mr. President, thank you. For those of you who just came in, 422 is a change in the Nonprofit Corporation Act. It is not a major change. It's not a mandate that will require people to go out and make wholesale changes. It is a very limited exception, I believe, to the model act, which would allow the board of directors in certain circumstances to amend the bylaws without needing a vote of the membership to do so. That has been the law in this state for many, many years until we changed it in 1996. I believe this to be a refinement of our passage of the model act in 1996 and would hope that you would advance the bill, LB 422. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Kristensen. The motion before us is the advancement of LB 422 to E & R Initial. Those in favor vote aye, those opposed nay. Record, Mr. Clerk.

CLERK: 31 ayes, 0 nays, Mr. President, on the advancement of